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Date: 9/5/03

Honorable Bryant L. Van Brakle Secretary Federal Maritime Commission 800 North Capitol Street, N.W. Washington, D.C. 20573



RE:

Petition of National Customs Brokers and Forwarders Association of America, Inc. for a Limited Exemption From Certain Tariff Requirements of the Shipping Act of 1984

Petition No. 03 -

Dear Secretary Van Brakle:

I am Brad Heier, Managing Director of TSC Container Freight.

TSC Container Freight, a business unit of The Scoular Company, is an Ocean Transportation Intermediary Licensed and Bonded as an NVOCC and Freight Forwarder, FMC license number 15578NF. TSC has 2 offices, one in St Paul MN, and one in Roseville CA. TSC is primarily a shipper of Agricultural related products as such our shipments tend to be larger in volume, however the larger volumes are offset with lower margins.

Our organization experiences the following costs and has the following experiences with regards to online tariff filings

- 1. TSC has contracted with Management Dynamics Inc of East Rutherford NJ to maintain our online tariff required by the FMC. In total our out of pocket costs for daily filings and updates have averaged approx. \$25,000 / year over the past 2 years.
- 2. In addition to the hard costs of tariff filings and updates we also spend approx. 85 90 hours per month in maintaining the tariff website or making changes to tariff. These total hours equates to approx. 3% of our total labor and associated overhead costs
- 3. We do not charge people that wish to gain access to our tariff to help compensate for the costs of on-line filings and tariff maintenance.

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- 4. We currently do not have a system to be able to tell how many people gain access to our tariff. With a total staff of 15 people we do not feel the time would be justified to create such a system, particularly given our opinion that our customer, or competition do not access our rates that are on file. It is our experience that most shippers are simply interested in gaining access to the best possible rates. They do this by direct contact with either other OTI's or Steamship lines directly, asking for rates they hear being offered in the market. We have never had someone contact us and say, we notice you have a certain rate on file and since it is on file we would like it as well.
- 5. It is our experience that the rates we negotiate with our shippers are mainly due to market conditions at the time. Most generally we must be cognizant of what is going on in the market and offer competitive rates or we will not win the business, irrespective of what we have in our tariff.

In our opinion rate tariffs are not useful to our company or our customers. For the most part the shippers don't get access to them anyway or don't rely on NVOCC rate tariffs. Rates are negotiated with shippers basis market for the period. Flexibility is also required because rates are negotiated with the steamship lines, putting our industry at a distinct disadvantage. If we were able to streamline the process we would certainly be able to save on administrative cost and offer improved service to our customers. Presumably cost savings associated with being exempted from publishing rate tariffs would be passed along to customers, when market conditions dictate we need do so. Even the smallest cost savings could go a long way in allowing us to reduce rates, helping the international shipper of US products be more competitive in the world market.

I, Brad Heier declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement.

Executed on September 5,2003.

Brad Heier

Managing Director TSC Container Freight